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U. S. DEPARTMENT OF AGRICULTURE

More Butter Used In Homes

☆☆☆ *New AMS Report Shows*

HOUSEHOLDERS reported buying an estimated 53.5 million pounds of butter in a 23-day period of May 1954. This is a half million pounds more than in a similar time period in April, and is about 8 percent more than the average reported for the 28-day period in November 1953-January 1954. The November-January period was the latest for which data were available when purchases were not influenced by lower prices or by news reports of expected lowering of prices.

THE INCREASED CONSUMPTION of butter in American households followed a decrease in retail prices of butter owing to the reduction in price supports on butter and other dairy products, effective April 1, 1954. Consumers reported paying an average price of 66 cents per pound for butter in May, down slightly from April but 10 cents per pound less than the average reported in the November-January period.

Also reported in the 4-week period of May were household purchases of

51.3 million pounds of cheese, purchased-weight basis, about 1 million pounds more than a month earlier. In addition, cottage cheese purchases were reported at 36 million pounds.

Purchases by householders of *nonfat dry milk solids* were estimated at approximately 11 million pounds in both April and May. The average price paid in May, 37.8 cents per pound, was fractionally lower than a month earlier.

45 Percent Buy Butter

Margarine purchases by householders were estimated at 87.1 million pounds during a 4-week period of May, almost 1 million pounds more than those reported in April, but about 2 percent less than the average for a 4-week period in November 1953-January 1954. The average of prices reported paid for margarine by householders has ranged between 26.2 and 26.5 cents per pound in the three periods for which data are available.

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The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work. Subscription rates on front cover.

About 55 percent of all families reported buying margarine in April and May as against 45 percent buying butter in the same months.

The above data were reported in a new series of monthly reports released by the *Agricultural Marketing Service*. These estimates show current household purchases of butter, cheese, nonfat dry milk solids, and margarine. This series, and other reports described below, will be based on information obtained in a cooperative project financed by the dairy industry and the United States Department of Agriculture.

The basic data in these reports are collected and tabulated from the National Consumer Panel of the Market Research Corporation of America under contract with the Department. These data represent estimates from a representative nationwide sample of approximately 5,800 families. It is a continuing survey in which information is obtained directly from householders. Each family on the panel reports weekly, in detail, how much is purchased, together with other related information.

The estimates include only purchases for household consumption and in no way reflect volume purchased for or through outlets such as hotels, restaurants, hospitals, or other institutions.

Under terms of the contract, this series of monthly reports will be supplemented by quarterly reports showing similar data by regions and by type of retail sales outlet. A report will also be released covering a 6-month period. The report for the longer period will

Outlook Highlights

... August 1954

PROSPECTS at mid-year point to continued large supplies of most crops and livestock products. Demand for farm products remains high with consumer incomes near record rates and exports holding at year-earlier levels.

Carryover stocks are large for wheat, corn, cotton, dairy products and oils. Most of these stocks are in Commodity Credit Corporation inventories, or are under loan.

With feed grains bulking large in the total, crop production this year (as of July crop report) is expected to be about the same as in the last 2 years, and not much below the 1948 peak. Among other crops, wheat production is down 15 percent from that of last year and the cotton acreage, of course, is reduced. (See "Crop Prospects" story on page 7.)

Production of livestock products is expected to be up around 4 percent from the peak reached last year, boosting total farm output for 1954 to a new high. (See total farm output story on page 5.)

Milk and egg production will set records. Broiler output has been at peak levels so far this year. A big turkey crop is anticipated and meat output will exceed last year's high level. (These estimates are based on the situation at mid-year.)

Wheat

The crop, estimated at 988 million bushels on July 1, is about 100 million bushels above the quantity used in the U. S. and exported in 1953-54. This indicates a further increase in stocks during 1954-55.

(Continued on page 4)

relate household purchases of the specified dairy products and margarine to family characteristics—such as occupation, income, and size of family.

This survey recognizes a vital phase of the research program on marketing of dairy products: the need for continuing information on the rate of consumer buying and consumer prices, combined with related information as to regional consumption patterns and other factors such as income, size of family, and presence of children. It is hoped that in time the results of this work will provide useful information for the dairy industry, in their promotional and advertising campaigns; and to the Department, in appraising the effectiveness of its various dairy programs.

Mardy Myers
Agricultural Marketing Service

More and More Farm Machines

Big Increase in the South

INCREASE in mechanization of U. S. farms has been pronounced since 1940, and especially in the South. From 1940 to 1953, numbers of farm tractors of all types in the U. S. as a whole increased about 185 percent; and for motor trucks, the increase was about 150 percent. Farm automobiles, on the other hand, have increased since 1940 by less than 10 percent.

Although there have been large increases in then numbers of power machines and equipment in all parts of the country since 1940, the

rate of mechanization in the southern States, where early mechanization had been slow, has been substantially above average.

Since 1942, the number of U. S. farms with milking machines has increased by about 180 percent, while the number of field type cornpickers has increased about 400 percent. Number of grain combines on farms in 1953 exceeded 900,000 as compared with 375,000 in 1945 and only about 60,000 in 1930.

Mechanical power for field work was first used about a century ago. The first traction engines were powered by steam and, being ponderous and slow, they never came into extensive use for field work. During World War I, a tremendous demand for bread grains, labor shortages, and relatively favorable prices for farm products caused

(Please turn to next page)

Number of principal machines on farms, and farms with milking machines, by State groups, specified years ¹

Year	Farm Tractors									
	North-east	Corn Belt	Lake States	Great Plains	Appalachian	South-east	Delta	Okl.-Texas	Mountain	Pacific
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1940 ² ----	168.0	463.0	252.8	259.5	52.2	29.4	32.7	144.3	75.2	90.3
1950 ² ----	370.1	937.7	525.0	460.4	254.2	158.3	147.7	326.0	197.8	232.1
1953-----	426.8	1108.0	608.2	533.6	369.4	229.7	214.0	380.5	245.1	284.7
	Grain Combines									
1945-----	17.8	110.5	37.8	102.8	13.7	8.0	8.0	31.6	28.3	16.2
1950 ² ----	33.8	230.2	73.4	165.9	37.5	20.2	17.4	60.1	48.9	26.2
1953-----	43.3	305.0	105.0	200.0	52.0	28.0	23.0	69.0	61.0	31.7
	Cornpickers									
1942-----	1.0	92.0	22.5	13.0	.6	.1	-----	.3	.4	.1
1950 ² ----	14.4	265.3	66.6	85.8	11.6	1.8	1.9	4.6	3.0	.5
1953-----	25.5	343.0	89.5	115.5	19.5	4.7	3.6	9.0	3.9	.8
	Farms With Milking Machines									
1942-----	70.4	49.0	94.0	7.2	3.2	.8	.7	3.0	6.9	19.5
1950 ² ----	122.2	156.0	201.5	36.1	23.4	7.6	8.9	17.7	26.7	36.2
1953-----	127.7	174.0	219.0	44.5	30.7	11.2	12.8	23.5	32.1	39.5
	Motor Trucks									
1940 ² ----	183.5	165.5	122.6	102.5	94.3	59.6	55.3	85.1	75.6	103.0
1950 ² ----	257.6	351.0	201.9	236.4	249.4	174.7	156.4	215.4	165.8	198.1
1953-----	279.5	406.0	241.0	272.0	303.0	209.0	189.0	242.0	188.5	220.0
	Automobiles									
1940 ² ----	470.7	1027.8	578.2	421.3	436.2	216.5	139.2	390.1	184.3	279.8
1950 ² ----	448.0	953.7	543.1	405.4	523.5	289.1	197.5	349.3	187.1	302.5
1953-----	463.8	983.0	563.0	427.0	556.0	306.0	218.0	367.0	199.2	317.0

¹ Data for 1940, 1945, and 1950 from reports of the Bureau of the Census. Estimates for 1942 and 1953 developed from material supplied by the voluntary crop correspondents of the *Agricultural Marketing Service*, USDA. Estimates by States and by type of machine are available in the *Agricultural Research Service*, USDA, Report PERB 4 "Principal Machines on Farms."

² Estimated as of April 1; for all other years the estimates are for January 1.

interest in mechanical power to increase. Much field work was being done with internal combustion tractors by 1920, particularly in areas of extensive farming, such as the Great Plains and the Northwest.

Development of all-purpose tractors in the middle '20's and the greatly improved machines and equipment that were designed for use with these better tractors encouraged further farm mechanization. For more than 40 years, except for the depression years of the early thirties, there have been continuous annual increases in the number of farm tractors and in the number and value of tractor-drawn and tractor-operated machines and equipment on farms.

Mechanical power for field work first came into extensive use in the North Central and Western States. Here, on the larger farms, grain was often a major crop and machines and equipment for handling it were developed at an early date. Physical conditions in these North Central and Western States also favored the use of tractor power and machines.

Tractors Increase Sixfold in the South Since 1940

The South, with many small farms—and with crops requiring much hand labor and with wage rates much below the average of the country—was slow at first to turn to mechanical power. The South still makes use of animal power and hand methods to a greater extent than do other sections of the country, but from 1940 to 1953 numbers of farm tractors in the southern States bordering the Mississippi River and east of the river increased sixfold. This compares with an increase of less than 150 percent for the rest of the country. Also, in recent years, increases in numbers of such important machines as grain combines, cornpickers, milking machines, and motortrucks have been substantially above average in the southern States.

Albert P. Brodell
Agricultural Research Service

Albert R. Kendall
Agricultural Marketing Service

Outlook Highlights

(Continued from page 2)

Vegetables

Prices to farmers for potatoes are expected to be above a year earlier during the rest of 1954 because of the reduction in output. On July 1 the 1954 crop in the late States was forecast at 5 percent smaller than in 1953; the intermediate crop 14 percent smaller.

Supplies of processed vegetables for 1954-55 are not likely to differ much from the current year.

Tobacco

Larger exports and a continued firm domestic demand are in prospect for flue-cured in 1954-55. This year's crop, according to the July 1 report, is down about 2 percent from 1953 but the carryover is up about the same percentage. This gives a total supply slightly larger than in 1953-54.

Dairy Products

Although milk production made the sharpest drop on record from May to June, the June total of 12.7 billion pounds was second largest in history for that month. The feed supply is large and milk flow will continue relatively high the rest of this year. The 1954 total is expected to be around 125 billion pounds; output the first half was 66.1 billion.

Livestock

The seasonal decline in hog prices started unusually early this summer because of heavy early farrowings of the spring crop. In December-March, farrowings were 21 percent greater than a year earlier but were up only 1 percent in April-May. The total seasonal decline this year is likely to exceed average. But hog-corn ratio probably will stay above the long-time level. General stability for prices of fed cattle, seasonal declines for cattle and calves off grass are in prospect in the months ahead.

Cotton

Farmers had nearly 20 million acres of cotton in cultivation on July 1, 7 percent less than the acreage allotment for 1954.

The General Economy

General business, or economic activity, has continued to improve . . . Industrial production rose a little from April to June and construction activity also has increased some from the record first quarter rates, but spending on producer's durable equipment continued slightly downward. Total employment (after adjustment for seasonal changes) has held fairly stable in recent months. And record-high consumer spending (which reached a new high in the second quarter) has also provided strong underpinning for economic activity in recent months.

Record Farm Output Indicated

As Result of Big Livestock Total

FARM OUTPUT for human use promises to be an all-time record this year. Total output of crops and livestock in 1954 will exceed last year's record by about one percent, based on July 1 indications. The factor having the greatest influence on the change in farm output is the prospective *all-time high* production of livestock and livestock products. The fourth largest crop production is predicted, virtually as large, however, as the second and third ranking totals reached in 1952 and 1953. Feed used by farm horses and mules is continuing its long-time downward trend and will be half that used in 1947-49.

The prospects of a general increase in the production of practically all types of livestock and livestock products adds up to an increase of 4 percent over 1953 and 19 percent since 1947-49 for this group. The number of animal

units of breeding livestock January 1 was the largest since 1946. And last year's record high production per breeding unit is expected to be equaled again.

The 1954 spring pig crop was 13 percent larger than the 1953 spring crop. Also farmers reported on June 1 that they intended to breed 10 percent more sows for fall litters than in 1953. If these plans are realized, the two 1954 pig crops would be 11 percent above 1953. Inventories of 94.7 million head of cattle and calves on farms January 1 were the largest on record, forming the basis for significant increases in production of milk and cattle and calves. Turkey production in 1954 is certain to exceed the 1953 output, and may equal the 1952 peak. Record egg production for the remainder of the year is indicated by the large production of chicks during the prin-

United States Farm Production, Indicated 1954

*With Comparisons—Index Numbers, 1947-49=100*¹

Item	1947-49	1949-53	1953	Indicated 1954
Total Farm Output-----	100	104	108	109
All livestock and livestock products--	100	109	114	119
All crops-----	100	101	103	102
Feed used by farm horses and mules ² -----	100	73	57	51
Cropland used-----	100	100	100	100
Crop production per acre ³ -----	100	101	103	102
Animal units of breeding livestock ⁴ --	100	102	103	107
Livestock production per breeding unit ⁴ -----	100	107	111	111

¹ Prepared jointly by Agricultural Research Service and Agricultural Marketing Service, USDA. Indications for 1954 based on July 1954 crop report and other releases of Agricultural Estimates Division, Agricultural Marketing Service. For historical data and explanation of indexes see "Changes in Farm Production and Efficiency," PERB 3, ARS.

² Hay and concentrates only. Not included in farm output.

³ The index of crop production per acre is a ratio of total crop production to total land used for crops. It differs from the AMS index of yields per harvested acre of 28 crops.

⁴ Animal units and production exclude horses and mules.

Cotton a Major Material for Insulating Wires and Cables

COTTON is one of the major materials used to insulate electric wire and cable. Insulating materials of cotton accounted in 1952 for 11 percent of the total materials used by manufacturers employing any kind of fiber. These conclusions from a research survey have just been announced by the *Agricultural Marketing Service*, USDA. It is estimated that more than 45 million pounds of cotton were used in 1952 for insulation.

Power wire and cable took over 10 million pounds of cotton. Almost as much was used in insulated building wire and cable. Communications wire and cable used over 9½ million pounds.

(Continued from page 5)

cipal hatching season in the spring, along with a continued high production per layer for the first six months of 1954.

Most of the acres diverted from wheat and cotton were planted to other crops, so that indicated total crop production will be practically as large as in 1952 and 1953.

Percentagewise, the biggest change from last year in crop production is forecast for the oil crop group, with a substantial increase in feed grains likely. Due to the reduction of wheat acres, food grain production will be smaller than usual.

The indicated index of crop production per acre is only 102 percent of the 1947-49 average as a base. In view of this year's per-acre yields, generally higher than last year, a higher index of production per acre might be expected. But the higher yields were more than offset by a shift in the cropping pattern to lower value-per-acre crops. Replacement of large acreages of cotton and wheat by crops which yield a lower total value per acre was an important adjustment in 1954.

Donald D. Durost
Agricultural Research Service

Lesser amounts were used in weather-proof and slow-burning wire and cable, appliance wire and cord, and automotive and aircraft wire and cable.

The principal insulating materials covered in the report in the order of their poundage were: Plastics, rubber, paper and cotton. Others are acetate, asbestos, fibrous glass, jute, linen cord, rayon, orlon and silk yarns and sisal.

The research covered by this preliminary report surveyed about half of the companies using any kind of fiber in the manufacture of insulated wire and cable in this country. The study was conducted under authority of the *Agricultural Marketing Act of 1946*. A full report will be issued later. The preliminary report is entitled, "Fibers and Other Materials Used in Insulating Electric Wire and Cable."

Farmers Approve Wheat Marketing Quotas

Farmers voted July 23 to make marketing quotas effective on the 1955 wheat crop. Preliminary returns from the national referendum showed 73.3 percent of the farmers voting in favor of marketing quotas on next year's crop and 26.7 percent opposed. Of the 267,104 votes counted in unofficial returns, 195,801 votes were recorded as favoring marketing quotas and 71,303 votes were recorded as against quotas.

Since the marketing quotas for wheat proclaimed by Secretary of Agriculture Ezra Taft Benson June 21 are effective on approval by two-thirds or more of the farmers voting in the referendum, marketing quotas will be in effect on wheat during the marketing year beginning July 1, 1955.

Farmers have voted on wheat marketing quotas three times before. They approved quotas for the 1941 wheat crop by an 81 percent favorable vote, approved them for the 1942 crop by an 82.4 percent favorable vote, and approved them for the 1954 crop by an 87.2 percent favorable vote.

Crop Prospects At Midyear

Member of Crop Reporting Board Discusses
Factors Responsible for Another "Big Crop"
Volume

WITH PROSPECTIVE new high records this year in outturns of oats, rice and soybeans, and likely near-records for corn, flaxseed, sorghum grain, hay and perhaps others, farmers have serious storage and marketing problems. These prospects, with larger than average outturns for several other crops, add up to a volume of production practically as large as in 1952 and 1953, which were exceeded only in 1948. Three years of tremendous production in a row mean the building up of unwieldy surpluses of some items.

Just how did this big prospective volume of crops come about?

In the first place, farmers exceeded their intentions as reported last March by planting larger acreages of 11 of the 16 crops covered then. The five crops they reduced included spring wheat (*probably to get within acreage allotments*), oats, sweetpotatoes, dry peas, and peanuts grown alone. The crops for which farmers increased acreages over intentions include corn (despite the acreage allotments), barley, flax, rice, sorghums, potatoes, tobacco, dry beans, soybeans grown alone, sugar beets, and hay. The net result in these shifts was nearly 3 million more acres in crops than were intended in March.

Acreage Planted, Down . . . for Harvest, Up From Last Year

The total acreage on which crops were planted or growing, as of July 1, was only about a million acres less than either 1953 or the average, despite reductions of about 20 million acres in crops under allotments. This indicates that land taken out of wheat and cotton was put largely into other crops, with only relatively small diversion of acreage to grasslands and summer-fallow.

This large planted acreage would indicate that weather, on the whole, was favorable during the planting season, although unfavorable aspects in some localities caused shifts to later crops. Crops made mostly favorable progress during June, so that aside from winter wheat lost earlier in the season, mostly in the drought area of the Southwest, acreage losses of most crops have not been unusual. The acreage from which crops have been and will be harvested in 1954 is expected to total a million acres more than in 1953.

The second factor in the heavy volume of 1954 production is the expected yields of crops. Prospects as of July 1 pointed to record or near-record yields, for the country as a whole, for a large number of crops—among them rice, barley, corn, winter wheat, oats, and potatoes. For all crops *in the aggregate*, the index of yield as indicated on July 1 was the highest of record, 2 points better than in 1953.

This favorable yield situation for the country as a whole is borne out by reports of farmer-reporters on all-crop prospects. On July 1, prospects were rated "good to excellent" throughout most of the country.

Drought In Some Areas

In certain areas, of course, prospects were not good. Composite opinions of crop reporters point to a severe drought area covering eastern parts of Wyoming, Colorado, and New Mexico and adjoining western parts of Nebraska, Kansas, and Oklahoma, also another in central Texas. The pasture condition is the most discouraging factor at present, not only in the drought area, but in much of the Ohio River Valley and southward and eastward. On July 1, pasture condition was reported only a little better than a year earlier and well below average.

Hot, dry weather since July 1 has affected late-growing crops adversely to some extent. Just how great the deterioration has been will be revealed in the crop reports for August 1 and later months.

Harold R. Walker
Member, Crop Reporting Board
Agricultural Marketing Service

Less Labor Used for Various Crops

More Machines; Fewer Man-Hours

FARMERS are producing most crops with less labor per acre than ever before. The reduction in use of labor is even greater per bushel, per ton, and per bale because of greater acre yields.

Farmers have taken advantage of most opportunities in recent years to reduce labor and in a sense, to substitute machinery, motor fuel, fertilizer, and other inputs for it. These substitutions have been made in an effort to reduce costs of producing farm products. Machinery also eliminates much backbreaking and tiresome work. However, more skill and *know-how* are required to operate modern farm machinery successfully. For many jobs a machine enables a farmer—without additional workers—to do a critical job at the right time, thereby reducing the chances of damage or loss of a crop.

The extent of the recent trend toward less labor, more machinery, higher yields, and much greater crop-labor productivity can best be illustrated by examining what has happened on a few individual crops, as shown in a recent USDA report.

Take Corn, For Example

Since the period 1910-14, for the U. S. as a whole, time spent per acre of corn harvested has dropped from 35 man-hours to about 13 man-hours, with the greatest drop per year taking place during the past few years (see *table on next page*). Work on preparing land and planting and tending corn has been lowered chiefly by doing the field operations in less time with a greater number of larger and speedier tractors. Loading, hauling, and spreading manure has also been speeded up by mechanical loaders and spreaders pulled by high speed tractors.

The reduction in man-hours for harvesting an acre of corn has resulted mainly from changes in methods of harvest. One of the old ways of har-

vesting corn for grain by cutting, shocking, and husking from the shock took a great deal of time. In 1913 about two-fifths of the corn for grain was gathered this way. The other principal method of harvesting corn at that time—picking by hand from the standing stalk—took around three-fourths less time, but this was still approximately $2\frac{1}{2}$ times as many man-hours as it takes with the modern mechanical picker. With this machine, from 2 to 3 man-hours are required per acre of corn. In 1951 over 68 percent of the acreage for grain was harvested with this labor-efficient method, and about a fourth by hand from the standing stalk. The remainder while small, took a lot of time because it was cut, shocked and husked or snapped.

Labor-saving methods of harvesting corn for silage have also gained favor rapidly in recent years. An acre of corn for silage yielding around 8 tons, is ensiled with about 7 man-hours when an up-to-date field forage harvester is used. This is about half the time it takes with the older stationary cutter method. Farmers about doubled the percentage of corn silage they harvested with field forage harvesters from 1948 to 1951.

The 1950 census shows a total of about 680,000 silos on farms in the United States. To fill these silos with corn silage cut with field forage harvesters it would take around 5.4 million fewer man-days of labor than with stationary cutters. At average wage rates paid last fall, this would mean about \$38 million lower labor cost. This sum would not be net, of course, because the power and machinery cost of operating a field forage harvester is higher than for a stationary cutter.

Early Savings for Wheat

Since 1910-14, the drop in labor used per acre of some small grains has been less, percentage-wise, than for corn, but for others it has been greater. Wheat is in the latter group.

From just before World War I to just before World War II the percentage decrease in labor used for wheat was twice as much as for corn. Wheat farming was mechanized early and was fairly well along in 1935-39. Since then, the decrease in labor require-

Changes in Labor Used and Yield Per Acre, Indicated Crops, United States, 1910-53¹

Crop and Item	Annual Average			Average Annual Change	
	1910-14	1945-49	1950-53	1910-14 to 1950-53	1945-49 to 1950-53
All Corn:					
Man-hours per acre-----	35.2	19.4	13.1	-0.6	-1.4
Yield per acre—bushels----	26.0	35.7	38.3	.3	0.6
Man-hours per 100 bushels-----	135	54	34	-2.6	-4.4
Wheat:					
Man-hours per acre-----	15.2	5.6	4.4	-.3	-.3
Yield per acre—bushels----	14.4	16.9	17.1	.1	(²)
Man-hours per 100 bushels-----	106	33	26	-2.0	-1.6
Cotton:					
Man-hours per acre-----	116	85	70	-1.2	-3.3
Yield per acre—pounds of lint-----	200.6	273.1	286.5	2.2	3.0
Man-hours per bale-----	276	149	117	-4.0	-7.1
Sugar Beets:					
Man-hours per acre-----	128	87	71	-1.4	-3.6
Yield per acre—tons-----	10.6	13.6	15.3	.1	.4
Man-hours per ton-----	12.1	6.4	4.6	-.2	-.4
Potatoes:					
Man-hours per acre-----	76.0	68.6	67.6	-.2	-.2
Yield per acre—bushels----	99.7	196.5	248.0	3.8	11.4
Man-hours per 100 bushels-----	76	35	27	-1.2	-1.8
Tobacco:					
Man-hours per acre-----	356	456	467	2.8	2.4
Yield per acre—pounds----	816	1,176	1,276	11.6	22.2
Man-hours per 100 pounds----	44	39	37	-.2	-.4

¹ Comparable data for additional crops and for intervening periods may be found in USDA Statistical Bulletin 144.

² Less than .05.

ments for wheat has been less than for corn. But, increased use of such machines as small power-takeoff and self-propelled combines is still lowering the labor for wheat. These combines are usually operated by one man, whereas the older mounted-motor combines required a 2-man crew. The yield of wheat has not increased as much as corn, particularly in recent years. This means that during the last 5 years man-hours required per bushel of corn has gone down much more rapidly than for wheat.

Tobacco an Exception—Labor Not Reduced Materially

Tobacco is at the opposite end of the scale from corn and small grains. Jobs in raising tobacco have been difficult to mechanize. It is still chiefly harvested by hand and the increased yields per acre have resulted in more man-hours per acre. However, the increase in hours has been less than proportional to the increase in yield. This means man-hours per 100 pounds of tobacco produced have been reduced somewhat,

though not as much as for some other crops.

Man-hours per acre of potatoes decreased only slightly—from 76 hours in 1910–14 to 68 hours in 1950–53. The drop would have been greater if the yield had not increased. The average yield of potatoes is now 2.5 times as high as before World War I, and this means more labor in digging. But the net effect of fewer hours and more bushels per acre has been to reduce man-hours *per bushel* by more than half.

3-Million Man-Hours Saved for Sugar Beet Growers

The harvesting of sugar beets is an outstanding example of the savings in labor that can result from a change in method of harvesting. After World War II, use of mechanical loaders of windrowed beets and mechanical harvesters that pulled, topped, and loaded the beets in one operation expanded rapidly. By 1950 few beets were loaded by hand and 61 percent were harvested with mechanical harvesters. Use of these harvesters saved about 20 hours per acre compared with hand-topping and mechanical loading. Use of mechanical harvesters expanded to 87 percent of the acreage according to data for 1952. Thus, in this 2-year period there was an average saving of about 5 hours per acre of beets harvested. The gross savings in 1952 for all beets harvested amounted to more than 3 million man-hours. In addition, in 1952 the acreage was low—665,000 acres—compared with the 1942–51 average of 745,000 acres.

With Cotton, Labor Saved Varies— 22% Picked By Machines in '53

Cotton shows the greatest variation in labor used with different methods of harvest. For the country as a whole in 1950, an average of only 3 man-hours per acre was used with machine-picking or harvesting as compared with 46 for hand-picking and 30 for hand-snapping. The use of machine methods of harvesting (*machine-picking and machine-stripping*) has increased rapidly in recent years, particularly in certain States. During the 1949–50 season, these labor-saving machines were used to harvest 6 percent of the crop in the entire country and last fall they were

August "Plentiful Foods"

TURKEYS and Bartlett pears share featured billing on the August list of plentiful foods prepared by the *Agricultural Marketing Service*.

Other foods expected to be plentiful are: beef, medium and small eggs, fresh fish, fresh vegetables, fresh and processed lemons and limes, milk and other dairy products, peanuts and peanut butter, salad oils and vegetable shortening.

This monthly list of plentiful foods is prepared by the U. S. Department of Agriculture to encourage full use of our food abundance, by moving maximum amounts through regular trade channels. The food trade participates in this Plentiful Food Program by aggressive merchandising and retail store promotion. Newspaper and magazine food editors and radio and television broadcasters cooperate by giving consumers the facts about the plentiful supplies, and suggesting ways in which they can use more of them.

used to gather 22 percent of the crop. During the same period, the proportion of machine-picked in California rose from 13 to almost 60 percent. In that State, spindle-type pickers are used exclusively, while in Texas, where the part machine-picked rose from 11 to 24 percent, both the pickers and strippers are used.

Many machines and mechanical devices that reduce time, cut physical effort and drudgery on farms are being used on a limited or experimental basis. For example, a self-propelled tobacco spearing machine developed by the University of Maryland has operated satisfactorily in field tests. It is said that if this machine can be produced commercially at a reasonable price, it will mean untold savings of labor in the harvesting of air-cured tobacco. Bulk handling of potatoes, which takes less effort and time, is being expanded through the use of such machines as potato combines, specially equipped trucks, and mechanical pilers. Other labor-saving machines are on engineers' drawing boards. Potentialities exist for still others and in time American ingenuity will solve the problems involved. This will mean not only lower labor and total costs, but less hard work and drudgery for farmers.

Reuben W. Hecht
Keith R. Vice
Agricultural Research Service

Brief Items

of Interest to Farmers

PRICE SUPPORT FOR TOBACCO—An average loan rate of 47.9 cents per pound for 1954-crop flue-cured tobacco and a schedule of rates by grades have been announced by the U. S. Department of Agriculture.

The average loan rate is the same as in 1953. The loans will be made on the basis of Official Standard Grades at a specified rate for each grade, with a 5 cents per pound differential between "tied" and "untied" tobacco. Loan rates by grades range from \$73 per 100 pounds for top grades down to \$13 per 100 pounds for certain "nondescript" grades.

WHEAT TO BE SUPPORTED AT \$2.24—The U. S. Department of Agriculture announced July 1 that the national average support price to producers for 1954-crop wheat will be 4 cents per bushel above the minimum price announced last fall. The average support at \$2.24 per bushel for the 1954 crop, as announced, compares with a national average support of \$2.21 per bushel for the 1953 crop.

PURCHASES OF DAIRY PRODUCTS by the Commodity Credit Corporation under the price support program, except for nonfat dry milk, were less during the 3-month period, April-June, than for the same period last year. Purchases made in April through June this year by CCC amounted to 125 million pounds of butter, 65 million pounds of cheese, and 215 million pounds of nonfat dry milk. During a similar three-month period a year ago, purchases were 134 million pounds of butter, 103 million pounds of cheese, and 205 million pounds of nonfat dry milk.

SALES OF NONFAT DRY MILK for use as feed, during the 11 weeks ending July 16, totaled nearly 479 million pounds. USDA began selling this Commodity Credit Corporation-owned dry milk for feed use on May 3.

STANDARDS FOR GRADES OF DRY BUTTERMILK have been issued by the U. S. Department of Agriculture. The new standards—developed and issued in response to industry and American Dry Milk Institute requests—are based on flavor and odor, physical appearance, alkalinity of ash, bacterial estimate, butterfat content, moisture content, scorched particle content, solubility index and titratable acidity. They establish "U. S. Extra" and "U. S. Standard" grades. The standards contain specifications applicable to dry milk manufactured by the spray process and the roller process. The new standards provide the Department and industry with official standards for grades of dry buttermilk and should encourage the use of this product.

IRRIGATED COTTON, according to a report from the Mississippi Experiment Station, produced a crop worth an average of \$93 more per acre than nonirrigated cotton. The station found that a total of 6 inches of water in 5 applications cost \$25.80 an acre, including labor, fuel, and annual cost of sprinkler equipment. Yields under irrigation ranged from 665 to 977 pounds of lint per acre compared with 533 to 720 pounds without irrigation. The report further states that irrigation had slight effect on lint percentage and staple lengths but it reduced the number of bolls needed for a pound of lint by about 9 percent. The moderately vigorous cotton varieties currently being grown in the area appeared best for this type of irrigation.

STEER-FEEDING TESTS IN MISSISSIPPI—A progress report on three years' work at the Mississippi Experiment Station throws some light on the best method for getting steers to the desired market finish. The more detailed results, published in the May issue of the Mississippi Farm Research, are summarized this way: Grass is still the most economical feed. High quality steers grading high commercial to low good, can be pushed into the choice grade with a short feed of 75 to 90 days. Shorter feeding periods are insufficient to raise the grades to choice. Gains above the choice grade are expensive and their returns are small or negative. Steers taken off grass in June or July and short fed for 90 days will reach the market when the price of fed cattle is normally at its best. Steers of high quality are essential in any feeding operation. Low quality steers are best marketed off grass.

BEET TOPS FOR LAMBS—Over a number of years researchers at the Nebraska Experiment Station have made lamb feeding tests in which they found that beet top silage can be as good as or better than good corn silage. The lambs ate beet top silage at the rate of 4 to 5 pounds a day per head without ill effects. They made daily gains averaging 0.36 to 0.44 pound. In most cases a limited amount of alfalfa hay was found to be of great value when fed with beet top silage, grain, and protein, and dehydrated alfalfa is an exceptionally good supplement with beet top silage rations. In rations for fattening lambs, the Nebraska studies showed dry beet pulp to be almost equal to corn when used to replace one-third to one-half of the grain.

BIGGER STALLS FOR DAIRY COWS—Today's average dairy cow is larger than she was 50 years ago, yet she is usually forced to use a stall that was built for the smaller cow. The West Virginia Experiment Station has made some studies on this subject to determine what effect too small a stall has on milk production. In the trials a so-called comfort stall was compared with the regular tie chain stall. Fifteen cows in the tests had one lactation in the comfort stall and one in the tie chain stall. Nine of them produced more milk in the comfort stall than in the other, and these nine were the older and larger animals of the group. It was found that

for a period averaging 130 days, the cows averaged 4,868 pounds of milk while in the tie chain stall and 5,348 pounds while in the comfort stall. On the basis of \$5 per hundred for milk, this means that each cow returned \$24 more in the comfort stall than in the tie chain stall.

MEXICO EXPECTS RECORD COTTON CROP—Latest estimates of the 1954-55 cotton crop in Mexico indicate a record production of approximately 1,500,000 bales. Very little cotton was planted in Mexico without irrigation this year, whereas in former years a considerable acreage, especially in the Matamoros region, was planted on dry land. Weather conditions have been good so far in most regions, and insect infestation has been light. The surplus available for export in the crop year beginning July 1, 1954, may approximate 1,150,000 bales if present production expectations materialize.

ABOUT 47 MILLION BOXES OF ORANGES, over half of the Florida crop, were used for frozen orange concentrate, to June 5 of this year. To that date, a total of more than 88 million boxes of 1953-54 crop Florida oranges had been used. This represents a 19-million box increase over the amount used to the same date in 1953, much of which went into frozen concentrate.

CCC COTTON STOCKS will not be offered for sale during the heavy marketing period. This is to avoid interfering with marketing of 1954-crop cotton by producers. There were about 235,000 bales of cotton in CCC inventory, most of which was 1951-crop pooled cotton, when sales from these stocks were resumed on April 12, 1954. Offers have been received on alternate Fridays since that time and through July 2, 103,338 bales had been sold.

ANTI-BLOAT PRECAUTIONS—Dairymen may "blow up" their cows unless they follow some precautions when they change them from grass to legume pastures, according to a recent report by Ohio State University extension dairymen. To avoid "blow-up", they suggest dairymen have their cows full before turning them on pastures containing more than 50 percent legumes. They say to turn them in gradually, increasing grazing time each day as the cows become accustomed to the lush legumes. Access to bluegrass and hay racks while on legume pasture will provide cows enough coarse roughage to permit digestion gasses to escape.

USDA SCIENTISTS have begun intensive studies at the Plum Island Animal Disease Laboratory to learn more about some of the most destructive diseases known to livestock—those caused by the vesicular viruses. Among these is foot-and-mouth disease. The research is in facilities made available by the Army Chemical Corps of the Department of Defense on Plum Island, off the northeastern point of Long Island, N. Y. The island, an army outpost for more than 50 years, was chosen because it lends itself to the rigid safety measures that will be required for the studies.

KENTUCKY-BLUEGRASS Seed Crop Outlook—The Kentucky-bluegrass seed crop this year is forecast by the Crop Reporting Board of USDA at 39,480,000 pounds (2,820,000 bushels) of cured seed. This is 63 percent larger than the 1953 production but 22 percent below the 1948-52 average. Larger crops this year than last are indicated for Missouri, Kansas, Nebraska, Minnesota, and the Dakotas, but smaller crops are reported for Iowa, Wisconsin, and Kentucky.

DETECTING MILK'S OFF-FLAVOR—Off-flavor of milk may be more easily controlled as a result of a chemical test recently developed on the Davis campus of the University of California. Dairy researchers at the University are running tests involving production of a red color, even in faint strength, in milk having an "oxidized flavor." They feel this new test and the formation of the red color may lead to greater knowledge of the exact mechanism of the process of oxidation of milk and eventually lead to control of the off-flavor.

FARM CENSUS COMING UP—This fall Uncle Sam will take his regular 5-year census of farms and farming in this country. This 1954 census is the 16th of the series begun back in 1840. Every farmer in the 3,000 counties will be asked to help supply the information needed by the crop and livestock reporting services for the next five years, and for various other important uses. Beginning October 1st, 30,000 Census enumerators under the leadership of about 2,200 crew leaders will begin calling at each farm to collect questionnaires that the Department of Commerce will mail to each farmer before the census gets under way.

IMPORTS OF SELECTED COMMODITIES—According to a table listing imports of selected commodities into this country in 1953, coffee and rubber ranked first moneywise. Quinine and derivatives and citronella, a fragrant grass of southern Asia, were the lowest, according to the chart recently released by the USDA.

MORE PROFIT FROM GOOD LAYERS—The more eggs each hen in a flock lays, the better are the chances of making a profit according to a recent report from the Alabama Experiment Station at Auburn. In a study of 130 commercial egg-production farms in Alabama, 23 flocks, averaging less than 150 eggs per layer lost 10 cents a dozen. A group of 53 flocks, averaging 179 eggs per hen, returned a profit of 4 cents a dozen, while the highest producing group, over 200 eggs per layer, returned a profit of 14 cents a dozen.

ON THE VALUE OF RESEARCH—A recent report from the Missouri College of Agriculture calls attention to the fact that "A total of \$13,894,538 in funds has been provided the Missouri Experiment Station by State, Federal and other sources since the Hatch Act in 1888. This sum, the report says, "compares to an estimated \$1,250,000,000 income to Missouri farmers during the last 21 years from results of one research project at the Experiment Station—the development of lespedeza."

"Bert" Newell's Letter . . .

To Crop and Livestock Reporters

AN OLD FELLOW once said, "morale is what makes your foots go forward when yo' haid says you can't." The other day when I got to feeling pretty low I dug out my file of letters from my crop, livestock, and price reporter friends. As I sat here I began to wonder why it is I can usually pull myself out of the dumps just by reading over some of your letters.

Some of them are critical, some pose very tough problems and, yes, some are very difficult to answer.

Still the fact remains that I get a lift from all of them. The answer, it seems to me, is that with one or two rare exceptions, every letter is friendly. Criticism is straightforward, honest, and in most cases, constructive.

One series of letters (*several years old now*) came from a rancher out in the wide open spaces. In his first letter, he let go straight off the shoulder, and I ducked. But I didn't duck fast enough. With the next exchange, I got under his guard; and one of these days I hope I'm going to be able to take advantage of his invitation to go fishing. I know it would be a lot of fun.

All of us get to that point, some time or other, when we feel so low we could walk under a dachshund with a high hat on. At those times we generally look around for a friendly spirit. Someone will slap us on the back and say, "It's o.k. fellow, you're a pretty good shot even if you didn't look too good on that last one. Check up your sights, another one's coming up."

And that's about what I've been doing reading your letters—checking up on my sights and getting my morale back. While I was doing that, I was impressed all over again with what a fine bunch of people we have working with us as reporters on crops, livestock, prices, and all the rest.

Now when I say, "We have working with us," I mean just that. I know it happens that my name appears on a lot of schedules during the course of the year, and I like to write this letter to you once each month—so it's nat-

ural that a lot of you may recognize my signature, but I'm just one little guy in this great big Service.

Most of you know your State Statistician better than you know me—at least I hope so. And then you have a lot of other friends in our Service whose names you have probably never heard. And right here I would like to digress just a minute and say that in the more than thirty years that I have been working with Agriculture I have come to know a lot of people in this big department here, and out in the States; and I know that you have a great many friends all through the entire U. S. Department of Agriculture and in your State Departments of Agriculture.

But getting back to this Crop Reporting Service of ours, we are all mighty proud of this organization and mostly because of you. I think it must be some sort of a record when we can point to a century of voluntary cooperation with a half million or more farmers all over the country who are providing a service of such vital importance to the whole Nation.

You might be interested, too, in knowing that this Service is the envy of many foreign countries. As a matter of fact, we have helped to train technicians from all over the world in our methods of carrying out a crop and livestock reporting service. Some of them are quite surprised when we tell them we have no police force that goes after farmers if they don't report. We surprise some of them more by telling them we wouldn't want such authority.

It does make a fellow feel good to realize that someone thinks you are doing a good job. So when your morale begins to slip a little and you begin to get that "what-the-heck" feeling, just remember we think you're a fine bunch of folks who are doing a swell job that is tremendously important. We appreciate your cooperation in providing the information, also the confidence you have placed in us when you send in

(Continued on p. 16)

Some Questions Answered on the "Diverted Acre" Program

SINCE the announcement by the Department of Agriculture on June 21 of the special "diverted acre" compliance program for 1955 crops, questions have indicated a desire for further clarification regarding some provisions of the program. Here are questions on three such points, with the answers as supplied by the *Commodity Stabilization Service*.

1. Question—There is a difference in the compliance requirements for those larger farms, where more than 10 acres will be diverted from allotment crops because of allotment limitations, and the smaller farms where 10 acres or less will be diverted. Does the cross-compliance requirement for individual crop allotments apply to the smaller farms (10 acres or less diverted), or does price support eligibility for each crop depend only on compliance with

the allotment for the crop? In other words, if a producer complies with an individual crop allotment (for tobacco, for instance) is he eligible for price support on that crop even if he exceeds some other crop allotment?

Answer—All producers, regardless of the number of acres which will be diverted, must comply with all individual crop allotments established for their farms in order to be eligible for price support on any crop produced on the farm. Larger producers (more than 10 diverted acres) must also comply with a "total acreage allotment," which will be established for their farms, in order to be eligible for price support on any crop. The requirement for compliance with all individual crop allotments applies to all producers; the additional "total acreage allotment" requirement applies only to those who will divert more than 10 acres from allotment crops.

2. Question—Whether a producer has "more than 15 acres" of wheat for harvest from his

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Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		July 15, 1953	June 15, 1954	July 15, 1954	Effective parity price July 15, 1954 ²
	Base period price ¹	January 1947-December 1949				
Basic commodities:						
Cotton, American upland (pound).....	cents.	\$ 12.4	31.21	31.87	32.31	35.09
Wheat (bushel).....	dollars.	4.884	2.14	1.87	1.91	2.00
Rice (cwt.).....	do.	1.94	5.38	5.95	4.18	4.14
Corn (bushel).....	do.	4.642	1.64	1.47	1.49	1.50
Peanuts (pound).....	cents.	4.8	10.2	11.1	11.2	11.2
Designated nonbasic commodities:						
Potatoes (bushel).....	dollars.	5.535	1.48	.868	1.51	1.49
Butterfat in cream (pound).....	cents.	26.5	71.2	64.7	55.7	55.7
All milk, wholesale (100 lb.) ⁶	dollars.	1.68	4.42	4.06	3.49	3.69
Wool (pound).....	cents.	20.9	46.0	54.8	55.2	55.0
Other nonbasic commodities:						
Barley (bushel).....	dollars.	.484	1.37	1.15	1.05	1.00
Cottonseed (ton).....	do.	25.50	71.60	59.00	51.40	54.00
Flaxseed (bushel).....	do.	1.60	5.54	3.17	3.48	3.17
Oats (bushel).....	do.	.311	.852	.701	.735	.668
Rye (bushel).....	do.	.605	1.82	1.21	.990	.992
Sorghum, grain (100 lb.).....	do.	1.21	2.53	2.42	2.27	2.20
Soybeans (bushel).....	do.	1.00	2.84	2.44	3.49	3.47
Sweetpotatoes (bushel).....	do.	.988	2.36	4.02	2.70	3.02
Beef cattle (100 lb.).....	do.	7.50	20.20	17.10	16.90	15.80
All chickens (pound).....	cents.	10.6	29.3	26.4	22.6	22.4
Eggs (dozen).....	do.	16.6	46.6	47.7	32.9	34.4
Hogs (100 lb.).....	dollars.	7.34	21.90	23.70	21.70	21.20
Lambs (100 lb.).....	do.	8.16	21.90	21.60	20.30	19.50
Calves (100 lb.).....	do.	8.28	22.60	16.80	17.50	16.10
Oranges, on tree (box).....	do.	2.29	1.23	.83	2.30	2.32
Apples, for fresh use (bushel) ¹⁰	do.	1.00	2.39	3.11	3.54	2.96
Hay, baled (ton).....	do.	11.87	22.40	20.20	20.40	19.90

¹ Adjusted base period prices 1910–14 used for computing parity prices. Derived from 120-month average January 1944–December 1953 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909–July 1914 for all cotton.

⁴ 60-month average, August 1909–July 1914.

⁵ Adjusted base period price 1910–14 derived from 10-season average prices 1944–53.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ 10-season average 1919–28.

⁹ Transitional parity, 75 percent of parity price computed under formula in use prior to Jan. 1, 1950.

¹⁰ Prices prior to July 1954 include some processing.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1947-49=100) ¹	Total personal income payments (1947-49=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor ⁴	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	-----	-----	100	100	100	100	100	100	100	100	100
1925-29 average.....	53	-----	232	143	151	184	161	161	155	145	152
1935-39 average.....	54	⁵ 34	199	118	124	121	125	119	110	117	116
1947-49 average.....	100	100	462	225	240	430	250	275	229	334	292
1950 average.....	112	112	515	232	246	425	256	249	186	340	280
1951 average.....	120	126	563	253	271	470	282	286	228	409	336
1952 average.....	124	⁵ 134	593	251	273	503	287	302	206	353	306
1953 average.....	134	⁵ 142	624	247	262	513	⁵ 278	273	221	298	273
<i>1953</i>											
July.....	137	142	621	249	261	514	279	261	223	319	280
August.....	136	⁵ 143	624	248	262	-----	279	265	229	305	276
September.....	133	142	622	249	259	-----	277	275	230	299	276
October.....	132	142	629	248	258	515	276	282	234	273	266
November.....	129	142	624	247	259	-----	277	288	224	267	263
December.....	126	⁵ 142	⁵ 630	247	260	-----	278	282	218	285	269
<i>1954</i>											
January.....	125	⁵ 141	618	249	263	525	282	274	213	309	277
February.....	124	⁵ 141	622	248	264	-----	282	267	208	315	277
March.....	123	⁵ 141	617	248	264	-----	283	257	188	316	271
April.....	⁵ 124	⁵ 141	612	⁵ 249	265	507	283	237	178	333	271
May.....	125	-----	⁵ 617	249	267	-----	284	230	168	331	267
June.....	-----	-----	624	247	⁵ 265	-----	282	229	168	299	251
July.....	-----	-----	-----	-----	263	505	280	237	171	286	247

Year and month	Index numbers of prices received by farmers (1910-14=100)								Parity ratio *	
	Crops							All crops and live-stock		
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Com-mercial vege-tables			All crops
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1925-29 average.....	140	118	169	150	135	146	145	143	148	92
1935-39 average.....	94	96	172	87	113	91	107	98	108	86
1947-49 average.....	246	230	384	264	318	183	249	247	271	108
1950 average.....	224	193	402	282	276	194	211	233	258	101
1951 average.....	243	226	436	336	339	181	269	265	302	107
1952 average.....	244	234	432	310	296	191	274	267	288	100
1953 average.....	231	208	429	268	274	206	240	242	258	92
1953										
July.....	218	204	426	270	268	193	252	237	260	93
August.....	215	205	430	278	263	185	207	232	255	91
September.....	219	207	452	280	251	204	191	235	257	93
October.....	223	194	439	275	255	189	198	229	249	90
November.....	229	195	433	269	263	205	218	234	249	90
December.....	230	205	427	260	269	237	224	238	254	91
1954										
January.....	233	207	420	254	268	222	271	240	259	92
February.....	236	208	443	258	269	210	233	237	258	91
March.....	238	208	443	263	275	212	246	239	256	90
April.....	234	208	443	267	283	217	225	240	257	91
May.....	227	207	446	272	286	215	279	249	258	91
June.....	216	205	445	274	283	240	200	244	248	88
July.....	225	202	446	272	286	228	243	248	247	88

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

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farm is important in the administration of marketing quota programs. Farmers with 15 acres or less are not subject to marketing quotas. If they fail to comply with an acreage allotment they are not subject to quota penalties; their only penalty is loss of price support eligibility. Does this mean that these smaller farms are also exempt from the "cross-compliance" requirements, as far as wheat allotments are concerned, as a condition for price support eligibility on other crops?

Answer—No. The "cross-compliance" requirement for price support eligibility remains in effect for farms with wheat acreage allotments of 15 acres or less. To be eligible for price support on any crop, a producer must comply with his wheat acreage allotment regardless of its size—as well as with all other allotments assigned to his farm. The 15 acre "breaking point" applies to marketing quotas but not to allotments, and diverted acre compliance is based on allotments.

3. Question—Can a farmer plant the acres he must divert from an allotment crop to any other crops he wishes without losing his price support eligibility, if the "other crops" are not also under allotments?

Answer—This depends partly on the size of the farm operations. If crop acreage allotments will require the diversion of not more than 10 acres on the farm in 1955, the producer can plant his diverted acres as he wishes without losing price support eligibility—provided he does not exceed any individual crop acreage allotment.

If allotments will call for the diversion of more than 10 acres, the producer must stay within a "total acreage allotment" which will be established for his farm—as well as within all his individual crop acreage allotments. His total acreage allotment will include his individual crop acreage allotments for 1955, plus his 1953 acreage of all other crops (except hay, cover crops, green manure crops, pasture, summer fallow, and idle cropland). This means that the total acreage allotment will be smaller than the acreage of all "market crops" on the farm in the base period. It will be smaller by the amount of acres diverted from allotment crops. This reduction—the equivalent of the acreage taken out of allotment crops—will have to go over into "grass and related uses" if the producer is to be in compliance with his total acreage allotment, and therefore eligible for price supports.

your reports. And we shall do everything in our power to live up to that confidence.

So we salute each and every one of you, and our salute is an open hand—not the clenched fist. Thank God, we in our country, work together because we want to . . . and because we have a heart and an interest in our fellow man. That knowledge alone, whether you're a crop reporter or not, should be a strong tonic for our morale.

Sterling R. Newell, Chairman
Crop Reporting Board, AMS

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AGRICULTURAL MARKETING SERVICE
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